

November 25, 2019

Dear Members of the Maryland State Central Committee:

I am writing today in my capacity as Acting Chair of the Maryland Democratic Party. On November 11, I began serving in this role following the resignation of Chairwoman Rockeymore Cummings. Since that time, I have worked with Executive Director Benjamin Smith to gain a better understanding of the organization's finances, staffing, and day to day operations. I have also worked with our elected officers to set an election date and process. The election date for the new Maryland Democratic Party Chair has been set for December 7.

There are, however, a few areas of concern that I wish to address prior to new leadership taking office. As a Maryland Senator, business owner, and past executive committee member of the Metropolitan Baltimore Council AFL-CIO, Central Scholarships, and a number of community boards, I have a particular appreciation for the importance of imposing financial controls in an organization of our size. Accordingly, I have included a summary of financial controls and recommendations for the incoming chair and executive committee to consider.

Major Areas of Concern

- **Overspending.** In 2019, the Party has spent more money than it has raised for 9 out of 10 months
- **Financial Constraints.** At the beginning of 2019, the Party's bank balance was nearly \$700,000; today it is around \$360,000.

Actions Taken

- **Organizer Position.** We have opted not to hire an organizer for the final geographic region- Howard, Anne Arundel, and Montgomery Counties- until the new chair takes office and can assess the feasibility of doing so
- **Stephanie Mellinger Consulting.** On November 14th, we terminated the Party's contract with Stephanie Mellinger. Prior to the contract's termination, we paid a \$5,500.00 monthly fee to Stephanie Mellinger to serve as our fundraising consultant
- **Fairmount Media Consulting.** On November 15th, we terminated the Party's contract with Fairmount Media. Prior to the contract's termination, we paid a \$3,000.00 monthly fee to Fairmount Media to serve as our e-mail consultant
- **Coco B Consulting.** We have requested a report from Coco B Productions, our DNC convention consultant, to be submitted by December 6. Currently, the Party pays a \$7,500.00 monthly fee for Coco B Productions' services
- **Mikki Waid Consulting.** We have requested a report from Mikki Waid, our platform committee consultant, to be submitted by December 6. Currently, the Party pays a \$1,000.00 monthly fee for Mikki Waid's services
- **Rightsizing.** We are currently reviewing all of the Party's finances to determine whether a rightsizing of staff positions is necessary

Recommendations

- **Treasurer's Role in Signing Checks.** Though historically the Executive Director has signed checks for expenses as directed by the Chair, it would increase transparency and accountability for the Party's elected Treasurer to sign all checks, or for the Party to initiate a two signature process, or a similar alternative
- **Required Approval for Expenditures Exceeding a Threshold Amount.** Earlier this year, the Chair commissioned a poll at a cost of \$42,000.00. But it does not appear that either members of the Executive Committee, Statewide Leaders, or County Leaders had advance knowledge of the poll. In the future, the Party should set a threshold amount and require that any expenditures over that threshold amount receive the approval of the Party's officers
- **Salary for the Chair.** The Party's chair is responsible for \$1-3 million in annual revenue, day-to-day oversight of the organization, and fundraising activities throughout the State of Maryland. I have discussed the demanding nature of the position with the Statewide leaders, County leaders, and Executive Committee of the MDP, as well as the timing of this opening out of the normal cycle and with two primaries and the national Party convention pending. We have begun discussions to identify a reasonable means to compensate the Party's Chair in this unique situation.

The above concerns, actions, and recommendations simply reflect my effort to improve our organization and ensure that our financial decisions are sustainable in the long-term. I have made my best attempt at doing so during my short tenure as the Party's acting chair.

Sincerely,

Cory V. McCray

Acting Chair

Maryland Democratic Party